

TOLL BRIDGE PROGRAM OVERSIGHT COMMITTEE

CALTRANS BAY AREA TOLL AUTHORITY CALIFORNIA TRANSPORTATION COMMISSION

MEETING MINUTES

December 11, 2007, 10:00 AM – 1:00 PM

BATA/MTC Office, The Claremont Conference Room

101 Eighth Street, Oakland, CA

Attendees: TBPOC Members: Will Kempton, Steve Heminger, and John Barna
PMT Members: Tony Anziano, Andy Fremier, and Stephen Maller;
Participants: Ali Banani, Michele DiFrancia, Beatriz Lacson, Peter Lee, Brian Maroney, Bart Ney, Dina Noel, Judis Santos, Bijan Sartipi, Ken Terpstra, Jason Weinstein

Convened: 10:06 AM

Items		Action
1.	CHAIR'S REPORT <ul style="list-style-type: none">The Chair expressed praise to the seven Caltrans employees who each received a medal of valor from the Governor at a recent ceremony, and passed around a photo of the occasion.The Chair announced that the Department has completed negotiations with the Department of Fish and Game with a settlement in the amount of \$1.5 million, all of which will go into mitigation (not research).	
2.	CONSENT CALENDAR <ul style="list-style-type: none">a. BATA presented the October 30, 2007 Meeting Minutes for approval.	<ul style="list-style-type: none">The TBPOC APPROVED the October 30, 2007 Meeting Minutes.
3.	PROGRESS REPORT <ul style="list-style-type: none">a. BATA notified the TBPOC that the PMT, through delegated authority from the TBPOC, approved the October 2007 and November 2007 Monthly Progress Reports on November 5, 2007 and December 5, 2007, respectively.	<ul style="list-style-type: none">The TBPOC confirmed APPROVAL of the October and November 2007 Monthly Progress Reports through the PMT.

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Items	Action
<p>b. BATA informed the TBPOC that the Draft December 2007 Monthly Progress Report is currently in development. Approval of this report by the TBPOC, through delegated authority to the PMT, is anticipated as soon as updated expenditure data and final comments are incorporated.</p> <p>c. The Department presented the Federal Highway Administration (FHWA) Yearly Financial Update for TBPOC approval prior to submission to the FHWA.</p> <ul style="list-style-type: none"> • Comments/discussion included: <ul style="list-style-type: none"> ○ The FHWA requires major highway projects involving Federal funding to submit financial plans that are updated annually (to ensure sufficient funding through project completion). <ul style="list-style-type: none"> ➤ The East Span Seismic Safety Project has a small amount of Federal funding (for the Skyway contract) and is considered by FHWA as a major project subject to this reporting requirement. ➤ Once the Skyway contract is completed, this reporting requirement should no longer apply. ○ The update is largely derived from the 3rd Quarter Toll Bridge Seismic Retrofit Program Report and BATA-provided cash flow projections. 	<ul style="list-style-type: none"> • The TBPOC APPROVED the FHWA Yearly Financial Update, as presented. • The Department to continue providing FHWA with quarterly and monthly TBSRP Reports. Director Kempton to discuss with Gene Fong (FHWA) the completion of the Department's requirement to provide FHWA with a yearly report.
<p>4. PROGRAM ISSUES</p> <p>a. TBSRP Capital Outlay Support (COS) Update</p> <ul style="list-style-type: none"> • The Department and BATA gave a COS update and a slide presentation showing the staffing breakdowns – graphs and tables illustrating how 	

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Items	Action
<p>support expenses have been charged, as a follow-up to the TBPOC October 30, 2007 meeting presentation.</p> <ul style="list-style-type: none"> • Comments/discussion included: <ul style="list-style-type: none"> ○ Experience has shown that in the Fiscal Years 05/06 and 06/07, the budgets were under-spent, but the initial forecast for FY 07/08 indicates on budget expenses. <ul style="list-style-type: none"> ➤ It was pointed out that the under-spending in FY 05/06 was an exceptional one due to the design/contract changes for the SAS and YBI Detour. ➤ The TBPOC is concerned about the dynamic of a forecast over budget on support and not picking up time on the project schedule. ○ The information presented is descriptive in nature. TBPOC is interested in determining if we have the right number of QA staff in China. ○ China staffing levels remain difficult to project due to uncertainties regarding the ZPMC work plan for fully ramped-up production. <ul style="list-style-type: none"> ➤ ZPMC has indicated that 2,000 workers could be involved in fabrication in the 24/7 operation of the plant. ➤ ABF has indicated that its Quality Control and Construction Management work may involve a staff of around 170. ➤ Currently, the Department has a staff of 40 in China, with a possible increase to 79, if required. ○ Comparables within a global 	<ul style="list-style-type: none"> • The PMT to provide TBPOC with a “Pre-Departure Briefing Packet” to include: <ul style="list-style-type: none"> ○ Organizational chart identifying who’s in China, how many, role/responsibility (titles)—ABF, ZPMC, Caltrans (i.e., welders, group leader, ZPMC production team, QA/QC, METS, Construction); provide corresponding costs (e.g., cost per PY and PYE); ○ “Comparables from Around-the-World” - <ul style="list-style-type: none"> 1) COS to CO generally for similar projects, e.g., Cooper River, Tacoma; 2) Oversight for bridges being fabricated overseas, e.g. Inchon, etc. • The PMT to provide the following at the TBPOC meeting in China on January 31, 2008: <ul style="list-style-type: none"> ○ An outline (from B. Maroney) of issues relating to various phases in China operations (how to measure success against the outline of expectations).

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Items	Action
<p>framework would be useful to gauge efficiency, i.e., projects within or outside the U.S. that involved fabrication in China.</p> <ul style="list-style-type: none">○ Department staff observations from a recent trip to China indicate that the biggest challenges involve cross-cultural communications, overcoming language barriers, and effective and timely decision-making. <p>b. Revision to TBPOC Protocol on Cost Forecasts</p> <ul style="list-style-type: none">• The Toll Bridge Finance Team gave an overview of the current criteria used to develop project and contract forecasts, presented the difficulties in implementing them, and recommended that the TBPOC review and adopt a revised cost forecast protocol based on the Risk Management Plan.• Comments/discussion included:<ul style="list-style-type: none">○ It was requested that differentials shown in Appendix B (attachment) be more clearly presented/substantiated.○ It was the consensus of the TBPOC that the recommended new protocol, i.e., 50% Risk Management figures, be implemented starting with the 4th Quarter 2007 Report, and accompanying talking points also be developed. <p>c. TBPOC Overseas Site Visit to China</p> <ul style="list-style-type: none">• The PMT presented the schedule for the first of the planned semi-annual TBPOC tour of China fabrication.• The list of attendees was confirmed, individual itineraries and planned group activities were firmed up. <p>d. Westar Settlement Documents</p>	<ul style="list-style-type: none">• The PMT to initiate an analysis of COS across the board in April 2008, begin the discussion in March, and plan to present the analysis semi-annually to the TBPOC. TBPOC to have on-going discussions to address the right level of staff to deliver this project.• Staff to develop talking points for the new forecast protocol.• Staff to plan a TBPOC activity for Friday, February 1.

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Items	Action
<ul style="list-style-type: none"> • The Department summarized the status of the Westar class action prevailing wage litigation (relating to water transportation services provided to Toll Program projects), and requested TBPOC approval of the settlement documents. ○ Settlement terms were reached at a mediation session held on October 12, 2007. ○ The settlement provides for a payment of \$5,208,584 to tugboat workers and costs of approximately \$300,000 to \$700,000 to vessel operators Westar and Brusco. The latter settlement will be addressed in a separate agreement that will be finalized after execution of the former settlement agreement. ○ The total settlement costs are within the not-to-exceed amount of \$8,000,000 that the TBPOC authorized on September 19, 2007. 	<ul style="list-style-type: none"> • The TBPOC APPROVED the settlement agreements, as presented.
<p>5. SAN FRANCISCO-OAKLAND BAY BRIDGE (SFOBB) UPDATES</p> <p>a. Construction Update</p> <ul style="list-style-type: none"> • The Department provided a brief summary of progress on the YBI, SAS and OTD contracts. ○ There was an accident at the OTD jobsite yesterday that resulted in an MCM worker being taken to the hospital and later released. He is expected back to work tomorrow. ○ The Chair indicated that he talked to the two principals of MCM about certain contract-related issues, including safety programs, SBE/DVBE participation and environmental compliance. • The Skyway project is winding 	<ul style="list-style-type: none"> • The Department to report back to the TBPOC regarding follow-up actions to this accident.

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Items	Action
<p>down to the punch list. It is on track for substantial completion by the end of the year.</p> <ul style="list-style-type: none"> ○ The PIO summarized the media events planned for the Skyway completion milestone. ○ It was suggested that the media event and invitation to the Governor be deferred for a bigger milestone, possibly in April 2008, in conjunction with the West Approach completion, when there will be substantial, visible progress and continuity. ○ Possible uses of the Skyway after completion for activities/events were briefly discussed. 	<ul style="list-style-type: none"> • The PIO/CPT to develop and present options on how to proceed with Skyway and West Approach events.
<p>b. Project-Specific Insurance</p> <ul style="list-style-type: none"> • The Department reported that there are on-going discussions between the legal counsels of the Department and the design joint venture to come up with alternatives to procuring a full PSIP replacement policy for the East Span Seismic Safety Project (ESSSP). ○ The result of these discussions will be presented to the TBPOC at the January 31, 2008 meeting. 	
<p>c. Jones Act</p> <ul style="list-style-type: none"> • The Department provided the current status of the Jones Act issue. ○ A draft letter to the Department of Defense (DOD) requesting an administrative waiver was distributed to the TBPOC members and discussed. ○ The PMT will continue to evaluate options, explore opportunities to expedite resolution to avoid any lengthy project delay and implement, as 	<ul style="list-style-type: none"> • The TBPOC APPROVED the transmittal of the DOD letter when the Program Manager deems it appropriate. <ul style="list-style-type: none"> ○ The PMT to schedule a conference call for a TBPOC update.

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Items	Action
<p>necessary, with TBPOC approval.</p> <p>d. USI Claims Settlement, Authority to Negotiate</p> <ul style="list-style-type: none">○ The Department summarized the claims issue, gave the Department's analysis of the audit results and BAMC's independent estimate of the value of the claims, and requested authority to negotiate a settlement in an amount not to exceed \$20,000,000.○ The claim is listed in the Risk Management Plan and Skyway Risk Register.○ The not-to-exceed amount requested is within the current budget. <p>e. West Approach Budget Adjustment</p> <ul style="list-style-type: none">• The Department reiterated, for TBPOC information, the previously discussed temporary budget increase anticipated for the West Approach project.○ The increase, likely to be in the \$15-20 million range, will be presented to the TBPOC during the 1st Quarter of 2008.○ It is anticipated that proceeds from the sale of excess property at the end of the project will offset this increase.	<ul style="list-style-type: none">• The TBPOC APPROVED the Department's request to negotiate a settlement in an amount not to exceed \$20,000,000.
<p>6. NEW BENICIA-MARTINEZ BRIDGE</p> <p>a. Project Allocation and Update</p> <ul style="list-style-type: none">• BATA presented, for TBPOC approval, the following recommended actions:○ Transfer of \$4.4 million to the I-680/I-780 Interchange contract in available contract contingencies from the New Bridge and Marina Vista	<ul style="list-style-type: none">• The TBPOC APPROVED the requested actions, as presented.

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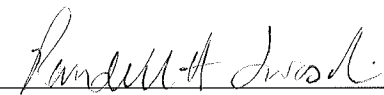
Items	Action
<p>contracts.</p> <ul style="list-style-type: none">○ Approve contract close-out CCO's on the I-680/I-780 Interchange contract as noted in the "Request for Supplemental Funds".○ Transfer \$2.1 million to the Landscaping contract in available contract contingency from the Marina Vista Interchange contract.• The transfers will result in no net change to the current budget or project contingency levels.○ A summary of the Contract Status and Proposed Budget Adjustments, a Detailed Contract Breakdown graph, as well as a Budget and Forecast Breakdown chart were briefly discussed.	
<p>7. DUMBARTON & ANTIOCH BRIDGES</p> <p>a. Update</p> <ul style="list-style-type: none">• The Department provided, for TBPOC information, an update on the seismic retrofit evaluations, along with a baseline schedule.• Comments/discussion included:<ul style="list-style-type: none">○ In order to keep the design team focused and to advance the current schedule, it was decided to concentrate on a "no collapse" alternative for the Antioch Bridge and an "intermediate retrofit" for the Dumbarton Bridge.○ A physical testing of the bridge component has been requested by the design teams.<ul style="list-style-type: none">➤ Additional funding support for these projects will be required if this testing is performed.➤ If additional funding cannot be secured for the FY 08/09,	<ul style="list-style-type: none">• Staff to proceed with the activities shown on the baseline schedule utilizing BATA funds/consultant resources. Address how to accelerate design work. Once cost is established, a strategy is to be developed on who is responsible for payment.

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Items	Action
the progress of these projects will be put at risk.	
8. OTHER BUSINESS a. Memento <ul style="list-style-type: none">The BATA Executive Director presented the other two TBPOC members autographed, framed posters of the recently opened Congressman George Miller Bridge. b. Legislative Update <ul style="list-style-type: none">It was suggested that the February 21, 2008 Update be scheduled concurrent with the Bay Area caucus to get more people to attend.	<ul style="list-style-type: none">The PIO to coordinate with the CPT to get the Legislative Update on the agenda of the assembly caucus.

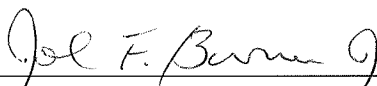
Adjourned: 1:40 PM

APPROVED BY:



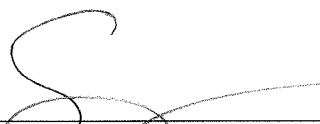
WILL KEMPTON, Director
California Department of Transportation

1/31/08
Date



JOHN F. BARNA, Jr., Executive Director
California Transportation Commission

1/31/08
Date



STEVE HEMINGER, Executive Director
Bay Area Toll Authority

1/31/08
Date